

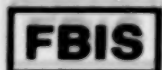
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# USSR Report

INTERNATIONAL ECONOMIC RELATIONS

No. 25



FOREIGN BROADCAST INFORMATION SERVICE

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USSR REPORT  
INTERNATIONAL ECONOMIC RELATIONS

No. 25

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## USSR-CEMA TRADE

## COMMUNIQUE. STATEMENT OF CEMA EXECUTIVE BODY

Moscow EKONOMICHESKAYA GAZETA in Russian No 5 Jan 82 p 20

[Communique and Statement of the Executive Committee of the Council for Mutual Economic Assistance]

[Text] Communiqué on the 102nd Meeting  
of the Executive Committee of the Council for Mutual Economic Assistance

On 19-21 January 1982 the 102nd Meeting of the Executive Committee of the Council for Mutual Economic Assistance (CEMA) was held in Moscow.

The representatives of the countries on the Executive Committee and deputy heads of governments took part in the meeting: the People's Republic of Bulgaria--A. Lukanov; the Hungarian People's Republic--I. Mar'yai; the Socialist Republic of Vietnam--Huynh Tan Phat; the GDR--G. Weiss, minister-representative of the State Committee for Economic Cooperation; Republic of Cuba--E. Rodriguez Llompart; the Mongolian People's Republic--M. Peljee; the Polish People's Republic--Z. Madey; the Socialist Republic of Romania--N. Konstantin; the USSR--N. V. Talyzin; and the Czechoslovakian Socialist Republic--R. Roglichek.

In accordance with the agreement between the CEMA and the government of the Socialist Federated Republic of Yugoslavia, the member of the Union Executive Vech and permanent representative of the Socialist Federated Republic of Yugoslavia at the CEMA S. Gligorivich participated in the work of the Executive Committee.

The secretary of the Council N. V. Faddeyev participated in the meeting.

The representative of the Hungarian People's Republic on the Executive Committee I. Mar'vai chaired the meeting.

The Executive Committee adopted a statement in connection with the attempts of the United States Administration and other NATO countries to interfere in the internal affairs of the Polish People's Republic and to use economic and other discriminatory measures as a means of interference and political pressure. The text is being published separately.

Guiding itself by the tasks which follow from the decision of the Council's session, the Executive Committee examined the course of cooperation work in a



number of branches of machine building production which are of the greatest importance for the development of the economies of the fraternal countries.

Measures were mapped out to realize the General Agreement which was signed during the 35th Session of the CEMA on multilateral cooperation in the creation of a single unified base of electronic engineering products, production equipment, and materials for their production. It is planned to accelerate the organization of the cooperative production of heavy equipment for open-strip mineral mining and for the construction of main pipelines, and also a number of types of energy saving equipment.

CEMA agencies and branch international economic organizations have been given concrete charges on the organization of cooperation for the joint development during the current five-year period of machinery and equipment which will curtail the use of manual labor in the economy and, above all, industrial robots with programmed controls; precision metal-working and casting equipment; unified series of hydraulic, pneumatic, and electric drives and other products for general machine building; and machinery systems for the overall mechanization of agriculture and for the processing of food raw materials.

In keeping with the tasks set by the communists and workers' parties for a fuller satisfaction of the food needs of the populations of the CEMA countries, the Executive Committee approved cooperation measures in this field, particularly, on supplying the food industry with the necessary raw materials and materials and on supplying this branch with modern highly productive equipment.

The meeting summarized the results of the work to conclude long-term trade agreements between the CEMA countries, and also the Socialist Federated Republic of Yugoslavia for the current five-year period. In accordance with these agreements, mutual commodity turnover will increase in 1985 compared to 1980 (in comparable prices) by 38 percent. In addition, mutual deliveries of specialized output will increase at outstripping rates. Their volume will increase during the five-year period by 48 percent. The increase in mutual commodity exchange will assist with the further planned development of the economies of the CEMA member countries and with meeting the needs of their populations.

The Executive Committee ratified a work plan for itself for 1982-1983, measures connected with contacts between the CEMA and international economic and scientific and technical organizations in 1982, and also the Council's budget for the current year.

Other questions of economic and scientific and technical cooperation were also examined.

The meeting of the Executive Committee took place in an atmosphere of friendship and comradely understanding.

Statement of the Executive Committee  
of the Council for Mutual Economic Assistance

The Executive Committee of the Council for Mutual Economic Assistance, expressing the unanimous opinion of the CEMA member countries, fully supports and will continue to support the efforts being made by the Polish People's Republic on the basis of its sovereign rights and in accordance with the country's Constitution to strengthen socialist law and order and protect the vital interests of the Polish people.

The CEMA member countries resolutely reject all of the actions by the United States Administration and the other NATO countries aimed at intervening in the internal affairs of the Polish People's Republic. They regard these actions as the grossest violation of the generally recognized norms of international life, of the principles of the UN Charter, and of the Concluding Act of the Conference on Security and Cooperation in Europe.

Proceeding from their consistent and principled policy, the CEMA countries decisively condemn any actions aimed at using economic relations and employing economic and other discriminatory measures as a means of interference in internal affairs and of political pressure, and at the limitation of trade and economic relations between the Polish People's Republic and the USSR.

Such actions contradict the interests of all of the CEMA countries and of all of the countries of the world. Their obvious purpose is to exacerbate international tensions and to hinder the development of peaceful cooperation in Europe and in the world which is advantageous for all peoples. The representatives of the countries on the CEMA Executive Committee resolutely demand the cessation of this vicious policy and practice. Strengthening their solidarity and mutual cooperation and developing relations with other states which are interested in strengthening peace and international cooperation, the CEMA countries will oppose any intrigues and will ensure their own further confident development. All of the countries of the world have an interest in maintaining normal inter-state relations, including economic relations. The unilateral curtailing of developed trade and economic and scientific and technical relations, in the final analysis, also inflicts damage upon the interests of the initiators of such actions and upon those who follow them.

The CEMA countries are providing and will continue to provide comprehensive aid to the fraternal Polish people in overcoming its economic difficulties, restoring a normal production process in the economy, and ensuring the conditions for the further socialist development in the country. This aid will be provided by means of fulfilling commitments to supply the Polish People's Republic with necessary goods in advance of the planned schedules, by means of additional supplies, and by means of the development of cooperation relations and the use of other forms of economic cooperation.

The joint efforts to develop cooperation will help to strengthen the role of the Polish People's Republic in the socialist cooperation of the CEMA member countries.

The consolidation of socialist order in the Polish People's Republic and its unhindered participation in the international division of labor are an important factor of security in Europe and of an improvement of international relations.

The representatives of the countries on the Executive Committee of the CEMA are coming out in favor of having the issues which relate to the sovereign rights of the Polish People's Republic not be used as a pretext for sharpening international tensions and distracting the attention of the peoples from the solution of the highly important problems of peace and security. They are confirming the immutability of the course of their countries aimed at a continuation of the policy of detente, the elimination of the danger of war, a halt to the arms race and disarmament, a strengthening of trust and the development of normal equal relations between all states, and a deepening of equal cooperation between them on the basis of generally recognized principles.

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CSO: 1825/31



## USSR-CEMA TRADE

### CEMA MEMBERS' ECONOMIES SELECTIVELY REVIEWED

Moscow EKONOMICHESKAYA GAZETA in Russian Nos 2, 3, 4 Jan 82

[Information materials by O. G. Volotov, V. Ye. Zenin, V. I. Kartsev, V. B. Lazarev, and I. I. Potemkina, associates at the All-Union Scientific Research Institute of Marketing of the USSR Ministry of Foreign Trade: "The Economies of the CEMA Member Countries in 1982"]

[No 2, p 207]

[Text] The sessions of the supreme legislative agencies which have taken place in the CEMA member countries defined the chief tasks in the economic and social development of the countries in the second year of the current five-year plan. An important role in the accomplishment of these and other tasks is being assigned to the participation of the countries in the deepening processes of socialist economic integration and in the realization of the multilateral long-term special-purpose cooperation programs and the long-term bilateral programs for the development of production specialization and cooperation.

#### Bulgaria

During 1982 it is planned to increase the national income produced in the People's Republic of Bulgaria (PRB) by 3.6 percent compared to the first year of the current five-year plan. The country's continuing industrialization is reflected in the higher growth rates of industry whose output will increase by 4.5 percent during the year. Along with this, considerable attention is being given to the development of the country's agriculture: its gross production will increase in 1982 by 2.2 percent.

Capital investments for the new year are planned in the amount of 7.2 billion leva. Special attention is being devoted to improving the structure of capital investments: around 70 percent of the capital investments in the sphere of material production are designated for reconstruction and modernization, including an expansion of existing capacities. For the first time a slower growth of capital investments than of national income has been mapped out, which should promote a decrease in the capital intensiveness of production and a decrease in the amount of incompleting construction.

The new wholesale prices which were introduced in the country on 1 January 1982 should exercise a serious influence on the efficiency of Bulgaria's economy and on an improvement of its structure. They have the task of stimulating the accelerated introduction into practice of scientific and technical achievements, of helping to raise the technical level of output, and of increasing the ability of Bulgarian goods to compete on the world market.

In 1982 the social productivity of labor is supposed to increase by 3.5 percent.

The real income of the population of Bulgaria will increase during the year by 3 percent. Social consumption funds will increase by 3.5 percent. There will be an increase in the amount of resources expended for health care, education, and other social needs. Considerable attention is being given to a fuller satisfaction of the population's consumer demands. Conditions are being created for improving the structure and diversity of commodity stocks and for eliminating shortages of certain consumer goods. Retail commodity turnover will increase by 3.8 percent, and the volume of domestic services by 8.4 percent.

It is planned to build around 73,000 residential apartments, chiefly in the environs of Sofiya and around large territorial-production complexes where the need for housing is most acute.

A special purpose program on economizing raw materials, materials, and fuel and energy has been worked out. It will soon be submitted for discussion.

The improvement of the structure of the economy is creating the conditions for a further development of the PRB's foreign economic relations, and for an expansion and deepening of the country's participation in the international socialist division of labor.

Bulgaria's foreign trade turnover will increase by 4 percent. Rapid rates of development will characterize the trade and economic cooperation of the PRB with the socialist countries whose share in Bulgaria's commodity turnover will come to approximately 80 percent.

#### Hungary

The plan for 1982 provides for a relatively small growth of national income--approximately 1-1.5 percent. This is explained by the fact that the first priority tasks of the economic activity of the entire current five-year plan are an improvement of the country's foreign trade and payments balances, and also a stabilization and buttressing of the already attained national standard of living. The lowering of the use of national income within the country is supposed to be achieved by means of a differentiated reduction in capital investments, and also by means of holding back the growth of production stocks.

Especial attention is being concentrated on increasing the profitability of social production and on making Hungarian output competitive on world markets. The task has been set of having the new year's consumption of fuel and energy carriers in

the economy not exceed, insofar as is possible, the 1981 level. It is planned to have a further decrease in the share of petroleum and natural gas in the structure of the energy carriers which are used.

In 1982 capital investments in the socialist sector of the economy will come to 178-180 billion forints. It is intended to increase their effectiveness and to devote more attention to the reconstruction and modernization of production. Priority will be enjoyed by capital investments assigned for the completion of already begun construction projects, for reequipping, and for an expansion of the profitable extraction of energy carriers, and also for their rational consumption. The amount of construction and installation work in 1982 will be decreased by 1-2 percent.

It is planned to increase gross industrial production by 2-2.5 percent. The share of output assigned for export is to increase, and technological progress and an improvement of the production structure of industry are to be accelerated. There are supposed to be outstripping rates for the growth of the production of output with lower material and energy intensiveness which can be effectively sold on world markets, and also output which provides rational substitutes for imports.

It is planned to increase the gross output of agriculture by 4-4.5 percent, which will ensure good domestic supplies, and also make it possible to expand exports of agricultural output. There will be a continuation of the course aimed at increasing crop yields and livestock productivity, seeking ways to increase the areas sown to grain, and improving relations between the state farms and cooperatives and private and auxiliary farms. It is planned to maintain real per capita income in 1982 on the level of last year, or to increase it by .5 percent. The average wages of workers and employees are slated to increase by 4-5 percent, while there will be an increase in retail prices of almost 3 percent.

The construction of 77,000 apartments, including around 20,000 by the state, is envisaged.

The task of improving the foreign economic balance of the economy demands a further expansion and improvement of the structure of the country's international business relations. In 1982 it is planned to increase exports by 6-8 percent in physical volume, and imports by 2-3 percent. Of especially great importance for the economy of the Hungarian People's Republic, it is noted in the directive materials, is its many-sided cooperation with the CEMA countries and, above all, with the Soviet Union which accounts for around 30 percent of Hungary's foreign trade.

GDR

Compared to 1981, in 1982 it is planned to increase the republic's national income by 4.8 percent. The production of industrial output will increase by 4.6 percent. The basic share of the increase will be obtained on the basis of a rise in labor productivity which is supposed to increase by 4.5 percent. Outstripping rates of development are envisaged for the electronics and electrical engineering industries,



machine tool building, general, transportation, and agricultural machine building, and the chemical industry.

In 1982 it is planned to produce 103 billion kilowatt-hours of electric energy, around 272 million tons of brown coal, 3.1 million tons of rolled ferrous metal, 585,000 tons of steel piping, 3.45 million tons of potassium fertilizer in terms of nutritional substance, almost 82,000 tons of synthetic fibers, 2.6 billion marks worth of metal-cutting machine tools, 497 million marks worth of plastic and elastomer processing machines, 792 million marks worth of machinery and equipment for the textile, garment, and leather industries, more than 1.5 billion marks worth of industrial rigging, and 1.63 billion marks worth of control and measuring instruments.

The basic share of the capital investments whose total amount is supposed to come to 54.8 billion marks is being assigned for the accomplishment of tasks connected with the rationalization and modernization of the production and technical base. The return on capital and the effectiveness of the capital investments are supposed to be almost 1.5 times greater than in 1981.

Large tasks are being set in the field of economizing fuel and raw materials. The specific consumption of energy in the economy is supposed to decrease during the year by 4 percent, the consumption of rolled goods in the metal-working industry--by 6.5 percent, and the specific expenditures of cement in construction--by 5.5 percent. The use of various types of secondary raw materials and production wastes will increase by 4 percent.

A great deal of attention is being given to a further improvement of qualitative indicators. During the year the production of products with the top quality token is slated to increase by 19 percent.

On the basis of measures to accelerate scientific and technological progress in industry and construction, 479 million hours of working time are supposed to be economized.

A decisive role is being assigned to science and technology in the accomplishment of these and other tasks in the field of economizing: in 1982 it is planned to spend 8.9 billion marks on science and technology, 7.8 percent more than in 1981.

In agriculture, the production of all types of output will increase on the basis of a further intensification of production. State procurements of meat in slaughtered weight will reach 2.43 million tons, milk--6.85 million tons, and eggs--4.7 billions units.

It is planned to increase the population's net monetary income by four percent during the year. The population will receive around 180,000 new apartments.

The republic's foreign economic relations play a large role in accomplishing its most important tasks. Compared to the preceding year, in 1982 the amount of



foreign trade is slated to increase by 50 percent. Around 70 percent of the commodity turnover will be accounted for by trade with the socialist countries.

### **Mongolia**

Compared to last year, during the new year it is planned to increase the national income of the Mongolian People's Republic (MPR) by 8.2 percent. The amount of capital investments in the republic's economy will come to 3.9 billion tugriks. On the basis of a concentration of capital investments at start-up projects the amount of incompleting construction will decrease by 18 percent.

An increase in agricultural production has been assigned a substantial place in the economic development program of the MPR. Around 650 million tugriks will be assigned to this branch. The production of agricultural output is supposed to exceed the 1981 level by 14 percent and reach 2.5 billion tugriks. It is planned to take measures to stimulate the production of individual types of animal husbandry output. In particular, beginning with 1 January 1982 procurement prices will increase for goat meat, horses, camel wool, lamb's wool, karakul, lamb and goat hides, and milk.

The production of gross industrial output will increase during the year by 8.9 percent. The fuel industry, nonferrous metallurgy, the construction materials industry, and the metal-working and textile industries will develop at outstripping rates. The plan maps out the commissioning in industry of 2.7 billion tugriks worth of fixed productive capital.

It is envisaged that there will be an increase in labor productivity in industry of 2.3 percent and of 4.4 percent in construction.

A further development of socialist competition, the adoption of counter-plans, and a rise in the level of organization and discipline in all of the elements of production and management will play a large role in attaining the indicators mapped out by the plan.

The wage fund of workers and employees will increase during the year by 5.2 percent. Retail commodity turnover in state and cooperative trades will grow by 4.7 percent--to 3.7 billion tugriks. It is planned to commission 158,000 square meters of housing space.

One of the most important factors in the successful social and economic development of the MPR, it is emphasized in the directive documents, is an expansion and deepening of economic and scientific and technical cooperation with the CEMA member countries. With their assistance a number of new enterprises in various branches of the economy will be built, and the reconstruction and modernization of certain operating facilities is planned. Cooperation in developing the most auspicious deposits of various minerals on Mongolian territory will be expanded. Especial attention is being given to the rational use and increased efficiency of the technical and economic aid of fraternal countries for the solution of the fundamental problems of the social and economic development of the MPR.

## Romania

At the center of economic policy for 1982 are the tasks of expanding the country's fuel and raw materials base, an accelerated development of agriculture, and the utilization of all existing reserves in order to increase the efficiency of social production. The task of reducing to a minimum the influence of crises phenomena in the world capitalist economy on the development of the Romanian economy is one of the most important aspects of the plan for 1982.

It is planned to increase national income by 5.5 percent. The production of net industrial output will increase by 5.6 percent.

With a planned increase in capital investments of 5 percent the increase in industrial production will occur primarily on the basis of an improvement of the use of existing capacities and of their modernization, and not the construction of new enterprises. Thus, 95 percent of the capital investment in the economy is being assigned for the completion of enterprises already under construction, and only 5 percent for the creation of new facilities.

A worker's labor productivity in republic industry (for the production of net output) will increase by 7 percent and by 6 percent in construction and installation work, while expenditures for the production of 1,000 leu worth of industrial output will decrease by 15.5 and for construction and installation work by 10 percent.

It is planned to further increase the supplies for the economy of a number of types of output on the basis of the country's own production. Thus, on the basis of its own resources it is planned in 1982 to meet 83 percent of the country's needs for primary energy carriers, 95-98 percent for steel piping and rolled goods, more than 80 percent for nonferrous metals, and approximately 70 percent for textile thread and yarn.

Important new tasks are being set for the agricultural workers of the Socialist Republic of Romania. The gross output of agricultural production will increase by 6-7.9 percent. The material and technical base of agriculture will be strengthened. The problem of providing fuller and more rhythmic supplies of foods for the population, as is stated in the directive documents, will to a substantial extent be solved on the basis of increasing each district's own supplies. The real wages of workers and employees will increase by 1.5 percent, and the population's real income by 2.7 percent.

The country's foreign economic relations are taking on increasing importance for its economic construction. In 1982 the relationship of Romania's exports to its national income will reach 34 percent, compared to 26-27 percent during the preceding years. Foreign trade turnover will increase by 14 percent.

A deepening of its cooperation with the CEMA countries and, first of all, with the Soviet Union is being assigned an important role in the development of Romania's foreign trade.

## Czechoslovakia

During the coming year the country's chief attention will be devoted to a comprehensive intensification of the development of the economy by means of speeding up the efficiency of social production while maintaining the standard of living of the workers. National income is planned to increase by 2.5 billion korunas.

Industrial production will increase by 4 billion korunas. There will be outstripping development rates for those branches of industry which ensure progressive qualitative changes in the economy and which create the basic sources of currency receipts, and also the branches whose development is based on the country's own raw materials base. There will be a slowing down of the development of energy and material intensive branches of production and of those branches whose increased production is connected with the necessity for increasing imports.

By means of making more efficient use of the resources which are allocated for capital investments, and also in order to bring about the planned structural changes in the economy, it has been decided to decrease the amount of capital investments by 3.3 percent. The task of decreasing the amount of incomplected construction and of shortening the construction schedules for a number of objects is being set as a top-priority one.

The intensification of the economy, the increase in the productivity and quality of labor, and the efficient structural changes in the economy will be carried out primarily on the basis of an acceleration and maximum utilization of the achievements of scientific and technological progress.

One of the most important tasks of the year is an economy of fuel and energy in order that the consumption of primary energy sources will remain approximately at the 1980 level. The role of coal will increase, and its total extraction should reach 124 million tons, which is approximately 800,000 tons more than in the past year. Measures have begun to be carried out which are creating material stimuli for an economical expenditure of energy carriers, especially liquid fuel. The necessity for ensuring an annual economy of 4.5-5 million tons of metal is being emphasized.

The volume of agricultural production is supposed to increase by 3.2 percent, with outstripping development rates for animal husbandry.

The population's monetary income will increase by 2.6 percent, or by almost 10 billion korunas. The principle of tying wage levels to work results will be carried out more consistently. The volume of retail commodity turnover is slated to increase by 2.8 percent. The demand has been made that the retail trade network be provided with goods that take account of the populations' growing demand for better quality and new goods.

It is planned to increase the foreign trade turnover with socialist countries by approximately 10 percent. Commodity turnover with the Soviet Union will reach 9 billion rubles, that is, will increase compared to the previous year by 10 per-



cent. There will be a further development of production specialization and cooperation between the two countries, especially in machine building, which will promote an acceleration of technological progress in all of the branches of the economy of both countries. The development of this progressive form of economic cooperation with other CEMA countries is also planned.

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#### Vietnam

The basic directions of the social and economic development of the Socialist Republic of Vietnam for 1982 have been slated as a further development of agricultural production, an increase in the production of consumer goods, an expansion of the production of export output, the regulation of capital construction, an improvement of the use of existing and new enterprises in heavy industry, an improvement of the work of transport, the redistribution of labor power in the individual areas of the country, and a comprehensive economy of resources in all of the spheres of the economy.

The 1982 plan provides for a 4 percent increase in the gross social product and a 5 percent increase in national income.

Gross agricultural output will increase during the year by 8 percent. The production of food crops in terms of uncleaned rice is supposed to reach 16 million tons, compared to 15.1 million tons in 1981, including 13 million tons of rice, compared to 12.6 million tons. The soy harvest will increase by two times, peanuts by 25 percent, sugar beets by 32, coffee by 26, and tea by 14 percent. The production of jute will increase by 1.5 times, and the production of rubber by 5 percent. Swine and cattle herds will increase by 4-4.5 percent. The fish catch will come to 600,000 tons, including 420,000 tons of ocean fish, which is 5 percent more than last year's level.

State procurements and purchases of food crops are to increase compared to 1981 by 32 percent, including 22 percent for pork, 3.3 percent for soy, 40 percent for peanuts, and 30 percent for sugar and molasses.

Gross industrial output (including cottage production) and the labor productivity of workers at enterprises of the state sector will increase by 5 percent. The production of electric energy is supposed to increase by 6 percent--to 4 million, 35 thousand kilowatt-hours, and the production of enriched hard coal by 6 percent--to 1 million tons. The production of cotton and silk fabrics will come to 260 million meters.

The amount of capital investments in the economy during the year is supposed to increase by 6.7 percent.

Especial attention has been given to increasing export production and to developing economic relations with the Soviet Union and other socialist countries, and to the creation of the necessary conditions for a gradual movement toward a balanced foreign trade turnover.



The plan provides for increasing exports by 45 percent during the year. Deliveries of unprocessed agricultural output are supposed to increase by 62 percent, timber output by 60 percent, seafoods by 20 percent, and the output of the mining industry and of cottage production by 28 percent.

Education, health care, and cadre training will be further developed. At the beginning of the academic year there will be 12.3 million pupils in the general educational schools. Higher educational institutions will admit 35,000 people, and secondary specialized educational institutions--47,000. Around 54,000 people will begin studies in the skilled worker training system.

Especial importance is being attributed to the successful fulfillment of the plan for 1982 in connection with the upcoming, in March 1982, Fifth Congress of the Communist Party of Vietnam.

#### Cuba

Compared to the previous year, Cuba's gross social product in 1982 will increase by 2.5 percent. A decisive role is being assigned to the development of the branches which define the country's specialization in the international socialist division of labor--sugar cane production, citrus fruits, and the mining and metallurgical industry.

The multilateral General Agreement on the Overall Development of Sugar Production and the General Agreement on the Overall Development of the Production and Industrial Processing of Citrus Fruits in the Republic of Cuba which were signed in 1981 at the 35th Session of the CEMA in Sofia are of great importance for a further strengthening of the material and technical base of sugar cane production and citrus growing. In realizing the first agreement the USSR, the People's Republic of Bulgaria, and the GDR will grant Cuba the corresponding credit and supply the necessary equipment and materials, and will also provide assistance in reconstructing existing and building new sugar plants. Within the framework of the second agreement the USSR, the People's Republic of Bulgaria, Hungarian People's Republic, the GDR, and the Czechoslovakian Socialist Republic are co-operating with Cuba. It is planned that citrus procurements will increase as early as 1982 by 20 percent compared to 1981.

In 1982 the increase in production in the mining and metallurgical industry will come to 8 percent. Work will be continued in the province of Olgin to strengthen the material and technical base of the nickel industry, including the construction of two new plants in Puntagorda and Las Camariocas each with an annual capacity of 30,000 tons of nickel concentrates.

In 1982 the basic efforts in the field of the machine building and metal-working industry are slated to be concentrated on the production of agricultural equipment, above all, equipment for sugar cane growing. In particular, 600 cane harvesting combines are to be assembled at the plant, and 5,400 units of other agricultural equipment.

In the food industry it is planned to increase the production of cleaned rice, canned meat, fruit, and vegetables, and also tobacco products and beverages. The construction of a whole group of animal husbandry facilities will be completed.

In order to raise the standard of living of the Cuban workers the wage fund will be increased by four percent. The sale of leather shoes will increase by 2-3 million pair. There will be larger supplies of household equipment.

It is planned to build 25,000 housing units during the year.

The economic plan for 1982 provides for a large number of measures aimed at the rational and more efficient use of raw materials, materials, and fuel and electric energy.

Exports in constant prices are slated to increase by 10 percent. The assortment of goods being sent to the foreign market will be expanded. Economic relations with the CEMA countries will be further developed. The purchase by the states of the socialist commonwealth of Cuban sugar, nickel, and citrus fruits at stimulation prices which exceed the average world level is to a large extent helping Cuba to overcome the negative consequences of the unfavorable conditions of the world sugar market, and also the consequences of the increased prices for many goods which are imported from the capitalist states.

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CSO: 1825/31

## USSR-CEMA TRADE

### USSR GOSPLAN OFFICIAL ON COORDINATION OF CEMA PLANS

Moscow EKONOMICHESKOYE SOTRUDNICHESTVO STRAN-CHLENOV SEV in Russian No 6, Nov-Dec 81 pp 48-51

[Article by Deputy Chairman of USSR Gosplan Nikolay Inozentsev: "Some Results of the Coordination of the State Plans of the USSR and Other CEMA Member Countries for 1981-1985"]

[Text] The CEMA member countries have confidently entered the 1980's. The 10 years which have passed since the adoption of the Comprehensive Program have yielded especially tangible results and have made it possible to increase significantly the industrial, scientific and technical potential of the socialist community. Today it is emerging as the most dynamic economic force in the world, which is developing at a stable and rapid rate. During 1971-1980 the cumulative national income of the CEMA member countries increased by 66 percent and the volume of industrial production increased by 84 percent. This is approximately twofold greater than similar indicators of the developed capitalist countries.

The growth of the economy of the CEMA member countries during 1976-1980 made it possible to implement a set of measures on the further improvement of the well-being and the increase of the real income of the population, the improvement of living conditions and the development of public health, education, science and culture. The expansion and extension of the economic, scientific and technical relations between the fraternal countries promoted this. They are being arranged on the firm basis of common interests and are of a comprehensive nature.

At the 26th CPSU Congress and the congresses of the Communist and Workers Parties of the other countries of the socialist community a high rating was given to cooperation within CEMA. "Now," Comrade L. I. Brezhnev said at the 26th CPSU Congress, "it is impossible to imagine the confident development of one socialist country or another, its successful solution of such problems, for example, as the supply of energy resources and raw materials, the introduction of the latest achievements of science and technology without relations with the other fraternal countries."

Especially close cooperation has been achieved in the key sectors of the national economy. As a result, practically 100 percent of the import needs of the fraternal countries for natural gas, 95 percent of the needs for hard coal, 82 percent of the needs for coke, 71 percent of the needs for iron ore, 70 percent of the

needs for petroleum, 68 percent of the needs for machines and equipment and 61 percent of the needs for consumer goods are being met at present by means of reciprocal deliveries. A decisive role in the deliveries of fuel and raw material products belongs to the Soviet Union, which, in fulfilling its international duty, in a fraternal manner is sharing the most important resources with its friends.

The high degree of self-sufficiency is the result of the planned cooperation of the fraternal countries, and first of all the coordination of national economic plans. Being the main method of the planned accomplishment of the international socialist division of labor, this form of cooperation is being continuously improved and developed.

Having arisen as a method of interconnecting individual questions of economic, scientific and technical policy, the coordination of plans was transformed into a well-balanced, unified international system of the coordination of the five-year plans of socioeconomic development of the fraternal countries under the conditions of socialist economic integration.

An important feature of the coordination of plans and mutual cooperation in 1976-1980 is more complete conformity of the national five-year plans to the solution of the major long-range problems ensuing from the Comprehensive Program. This was achieved primarily by the signing of multilateral agreements on economic, scientific and technical collaboration and cooperation in the construction of important industrial projects, in the products of which all or a group of countries are interested. The Soyuz main gas pipeline, through which deliveries of natural gas are made from the USSR to Bulgaria, Hungary, the GDR, Poland, Romania and the CSSR, was brought up to the rated capacity ahead of time in late 1979 due to the successful implementation of the agreements. The Kiyembayevskiy Mining and Concentration Combine for the production of 500,000 tons of asbestos a year was put into operation. The first section of the Ust'-Il'msk Pulp Plant was started up, and work is being performed on the completion of the construction of its second section. Capacities were created for the production of ferriferous raw materials and some types of ferroalloys.

The economic potential of the fraternal countries, which has increased many times, and the considerable amounts of material and financial resources, which are being committed to the turnover, created the need for the elaboration of qualitatively new methods of socialist management on the basis of the all-round intensification of social production.

The CEMA member countries plan to carry out economic development during the current five-year plan on the basis of the rapid introduction of the results of scientific and technical progress in the national economy, the mobilization of intensive factors of economic growth and the increase of production efficiency, the maximum utilization of their own resources and the further intensification of the international socialist division of labor.

Today the problem of the efficient use of everything that the countries of the socialist community already have, and first of all raw material and energy resources, is especially urgent. The policy of the intensification of social production is also common to the countries. Therefore the diverse aspects of these problems



were at the center of attention of planning and economic organs during the period of the coordination of the plans for 1981-1985.

What are the characteristic traits and main features of this, the sixth, coordination?

First of all it is necessary to note that the mechanism of productive cooperation in this area, which was developed over many years, has fully justified itself. Therefore the present coordination has been carried out with allowance made for the gained experience, as well as the features of the socioeconomic problems of the present stage. It is aimed at the consistent implementation of the routine integration measures, which ensue from the Comprehensive Program, and the solution of urgent national economic problems. The continuity of the process of coordinating plans and the close connection of the programs of the pooling of efforts not only for the 5-year period, but also for the more distant future appeared in this.

The meetings and negotiations at the level of party-government delegations of the fraternal countries had a decisive influence on the development of comprehensive cooperation in 1981-1985. During them the most fundamental, complex problems of the economic policy and cooperation of the countries were discussed and coordinated. At the meetings it was emphasized that the coming 5-year period should become a qualitatively new stage of cooperation, which is characterized by an increase of the effectiveness of socialist economic integration.

Taking into account the experience gained in past years and in executive of the decree of the 30th CEMA Session the CEMA Commission for Cooperation in Planning drew up a program of the performance of work on the coordination of national economic plans for 1981-1985. It specified the goals and tasks and provided the methodological and organizational bases of the forthcoming work.

The program provided for the enhancement of the role of the commission as the organizer of this work and for the active participation in it of the sectorial and foreign trade organs of the CEMA member countries. Owing to this the main attention in the process of coordinating the plans for 1981-1985 was devoted to the most important problems in the area of physical production, to the elaboration of scientific research programs and the coordination of the capital investments in the spheres which predetermine the long-range directions, scale and structure of the mutual economic relations of the CEMA member countries.

The means of solving a number of major national economic problems were specified during the coordination. First of all this pertains to the meeting of the import needs of the countries for the most important fuel, energy and raw material resources and to deliveries of machines, equipment and units with a lengthy production cycle. Here the speeding up of the completion of the work on the extension of the agreements in force and the signing of new agreements, which provide for the expansion and intensification of the international specialization and cooperation of production, was of particular importance.

A peculiarity of the coordination of the plans of the CEMA countries for 1981-1985 is the fact that it was carried out at the same time as the elaboration and the beginning of the implementation of long-range goal programs of cooperation and

bilateral programs (master plans) of the development of the specialization and co-operation of production up to 1990.

As is known, the five long-range goal programs of cooperation, which were approved at the 32d and 33d CEMA Sessions, specified the long-term strategy of cooperation of the socialist countries in such key intersectorial complexes as the fuel and energy and mineral raw material complex, the machine building complex, the food complex, the transportation complex, as well as in the sectors which produce consumer goods.

The interconnected long-range measures, which are aimed at the maximum utilization of the potentials of the international specialization and cooperation of production, the acceleration of scientific and technical progress and the increase of the efficiency of social production, also include bilateral programs, which were drawn up in conformity with the Crimean understandings between General Secretary of the CPSU Central Committee L. I. Brezhnev and the leaders of the other fraternal parties. These programs have acquired the nature of political economic documents, which reflect the specific nature of the bilateral integration processes between the countries of the socialist community.

During the study of individual problems within the long-range goal programs of co-operation it was possible for the first time to take into account all the diversity of the intersectorial relations. This had a favorable effect on the coordination of the plans, which as a result acquired a truly comprehensive nature. At the same time the resource backing of the problems being solved jointly was also strengthened. The use of the goal program method in cooperation in the area of planning activity made it possible to expand considerably and to use more efficiently the diverse forms of cooperation in production, science and technology.

One of the main tasks of the planning and economic organs of the CEMA member countries during the coordination of the plans for the coming 5-year period was to develop the measures of the long-range goal programs of cooperation and the bilateral programs into a system of multilateral and bilateral agreements and treaties. This problem for the most part was successfully solved.

In conformity with the long-range goal program of cooperation in the meeting of the rational needs of the CEMA member countries for basic types of energy, fuel and raw materials up to 1990 the USSR jointly with the other countries elaborated a number of measures, with respect to the majority of which the corresponding agreements have already been signed. Among them are the multilateral general agreement and the bilateral agreements between Hungary, Poland, the USSR and the CSSR on the construction on the territory of the USSR of the Khmel'nitskaya AES and the agreement between Hungary, the GDR, Poland, the USSR and the CSSR on the construction and operation of a 750-kV electric power transmission line between the Khmel'nitskaya AES (USSR) and Rzeszow (Poland). After the placement into operation of the first block at the AES and the corresponding electric power transmission lines the USSR in 1984 will deliver to Hungary, Poland and the CSSR 3.3 billion kWh of electric power. As new blocks are put on line, the deliveries will increase and in 4 years will achieve the maximum amount--12 billion kWh annually. The countries which are parties to the agreement will receive this amount of electric power for the next 16 years. The building with USSR technical assistance of nuclear electric power

stations with a total capacity of about 36 million kW in the European CEMA member countries and the Republic of Cuba will also play an important role in meeting the needs of the fraternal countries for electric power.

The problem of meeting the needs of Bulgaria, Hungary, the GDR, the Republic of Cuba, Poland, Romania and the CSSR for motor fuel (gasoline, diesel and jet fuel) by the more thorough refining of petroleum on the basis of modern technology and the expansion of such secondary processes of distillation as catalytic cracking, hydrocracking, carbonization and others is being studied at this time.

The special program of multilateral cooperation in the comprehensive and more intensive commitment to the economic turnover of new and additional sources of energy, which was elaborated by the CEMA member countries, has as a goal the implementation over a period of 2-3 years of a set of measures on the economically sound increase of the use of renewable sources of energy and additional resources of synthetic hydrocarbon raw materials. The indicated program also touches upon the questions of the more extensive use of geothermal energy, solar energy and so on.

A number of other drafts of multilateral and bilateral agreements on cooperation, which are connected with the meeting of the needs of the CEMA member countries for industrial raw materials, are also at the stage of study. One of them provides for the construction of iron ore enterprises on the territory of the USSR.

In 1979 a general agreement and bilateral agreements on the specialization and cooperation of the production of energy-intensive and less energy-intensive chemical products were signed. In conformity with this the USSR is developing on its territory additional capacities for the production of energy-intensive types of chemical products--ammonia, methanol, high-pressure and low-pressure polyethylene, potassium and nitrogen fertilizers--for delivery to the interested CEMA member countries. The creation in these countries of specialized capacities for the output of less energy-intensive, small-tonnage chemical products--chemical additives for polymeric materials, dyes, small-tonnage plastics and synthetic resins, varnishes and paints, chemically pure agents and others--for deliveries to the USSR in compensation for energy-intensive products is being planned at the same time.

In conformity with the long-range goal program of cooperation in machine building during the coordination of the plans for the current 5-year period between the USSR and the other CEMA member countries proposals on the further expansion of economic, scientific and technical cooperation were prepared, the products list and the approximate volumes of the reciprocal deliveries of machines and equipment were agreed on. The drafting and preparation of a number of new bilateral and multilateral agreements on the specialization and cooperation of production for 1981-1985, and in some instances to 1990, were conducive to this.

The agreement concerning equipment for nuclear electric power stations is of especially great importance. Agreements on the specialization and cooperation of the production of automatic lines, special machine tools, machine tools with numerical control and machining units, tractors and agricultural machinery, mining equipment, equipment for the concentration of solid types of fuel, the ores of ferrous and non-ferrous metals, mining and chemical raw materials, as well as assemblies and parts for them were also signed for the purpose of solving priority problems.



Work was carried out on the division of the production programs among the European socialist countries in the production of hydraulic and pneumatic component equipment. Owing to this the output of more advanced equipment for the mining industry, machine tools, road construction and other machines will be increased in the USSR and the other CEMA member countries. Cooperation is being expanded in the automotive industry, in road construction machine building, in the production of the hardware components of the Unified Container Transport System and so on.

Thus, during the coordination of the plans for 1981-1985 a significant step was made in the broadening of the scale of economic cooperation and in the intensification of the integration processes in the area of machine building.

A number of agreements (treaties) were also prepared during the process of coordination on the implementation of long-range goal programs of cooperation in the area of agriculture and the food industry, as well as consumer goods. In accordance with the understanding the cooperation during the coming 5-year period will be aimed at the development of new sectors and works, the introduction of modern equipment and technology in light and the food industries and at the comprehensive solution of the raw material problem of these sectors.

One of the important features of the completed coordination of the plans consists in the fact that during the preparation of many agreements measures were elaborated, which are aimed at the acceleration of the development and the increase of the efficiency of the economy of the Mongolian People's Republic, the Socialist Republic of Vietnam and the Republic of Cuba.

As a result of the coordination of the plans for 1981-1985 by now the basic directions of the economic, production, scientific and technical cooperation between the USSR and the other CEMA member countries have been determined, specific measures on their implementation have been elaborated and agreed upon. The approximate volumes of the reciprocal deliveries of basic goods, which are the basis of the long-term trade agreements of the Soviet Union with the other CEMA member countries, have been specified.

During the begun 5-year period the reciprocal foreign trade deliveries of the USSR with its CEMA partners will increase by nearly 40 percent and will amount to approximately 260 billion rubles. In spite of the worsening of the conditions of extraction, the Soviet Union for the most part will maintain the deliveries of fuel and raw materials to the fraternal countries at the high level achieved in 1980. These deliveries will be a reliable basis for the further economic development of the CEMA member countries. Moreover, as is known, they will be made at prices which are substantially lower than world prices. And this will be great economic assistance on the part of the USSR to the importing countries.

An important item of USSR exports is machinery. During the current 5-year period it will amount to approximately 35 billion rubles, which is 33 percent more than in 1976-1980. In turn the USSR will receive from the CEMA member countries the equipment it needs in the amount of more than 66 billion rubles. The USSR imports about 240,000 tons of metallurgical equipment, which is notable for high technical and operating parameters, including the 3000 plate mill from the CSSR, a number of small-section and rod mills from the GDR and so on.



The maritime transport, fishing and river transport ships, which are planned for delivery from the European CEMA member countries, will be of great importance for the USSR national economy. The deliveries of new ships for the development and recovery of petroleum on the continental shelf will begin. The exports to the USSR of furniture, knitwear, garments, food flavorings, as well as other consumer goods and raw materials for their production will increase.

Taking into account the significant volume of deliveries of machines and equipment from the socialist countries for the leading sectors of Soviet industry, as well as taking into consideration the need for the rapid changeover of the USSR economy to the intensive path of development, during the coordination of the plans for 1981-1985 particular attention was devoted to the increase of the technical level of the machinery and equipment being imported by the USSR. In this area there are still a number of complex and difficult problems. They will be solved during the implementation of the understandings reached when coordinating the plans.

The more complete and consistent use of the advantages of socialist economic integration will enable the CEMA member countries to increase their scientific and technical potential to a qualitatively new, higher level and will ensure the development and introduction in production of new equipment and technology, which correspond to the world level or exceed it.

The work conducted jointly by the planning and economic organs of the countries of the socialist community during the coordination of the plans, undoubtedly, will have an enormous influence on the socioeconomic development of the fraternal countries. The large specialized deliveries from the USSR of modern types of machines and equipment will promote the improvement of the structure of production of our CEMA partners, while the ever increasing imports to the USSR of the products of the processing industry will promote the formation in these countries of specialized sectors.

The successful implementation of the measures stemming from the concluded agreements in many ways depends on the extent to which they will be backed by material, manpower and financial resources, which are specially stipulated in the national economic plans of the interested countries.

The most important multilateral integration measures, and first of all those connected with the implementation of the long-range goal programs of cooperation, have been reflected not only in the national plans, but also in the Coordinated Plan of Multilateral Integration Measures for 1981-1985.

The results of the coordination of the state plans of economic and social development for 1981-1985 are a new demonstration of the advantages of the planned economic system, the relations of fraternal friendship and cooperation between the socialist countries.

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## USSR-CEMA TRADE

### RELEASE, REDISTRIBUTION OF MANPOWER IN EUROPEAN CEMA COUNTRIES

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[Article by L. S. Degtyar': "The Problems of the Release and Redistribution of Manpower in the Foreign European CEMA Countries"]

[Text] The experience of the foreign European CEMA member countries in the development of the socioeconomic mechanism of the release and redistribution of manpower resources is generalized in the article. The basic problems, which at this time are being worked on in these countries for the purpose of increasing the efficiency of the use of manpower, are shown. The practical experience of the CEMA countries in the use of the standard method of forming the wage fund and introducing a fee for manpower and their influence on the economy of living labor are analyzed. The main organizational methods of the redistribution of manpower and the forms of the material stimulation of workers, which are used in this case, are examined. A special place is allotted to the new features in the organization of these processes in connection with the practical tasks set during the current five-year plan in the release and redistribution of manpower.

One of the main directions of the increase of the efficiency of social production and the solution on this basis of the economic and social problems facing society is the decrease of the expenditures of living labor per unit of output and the more efficient use of manpower resources.

At present a shortage of manpower is being observed in practically all the European CEMA countries. In the majority of countries the growth of the able-bodied population will decrease further over two to three five-year plans.

As a whole in nearly all the foreign European CEMA countries in 1981-1990 the average annual growth rate of the size of the able-bodied population will be noticeably less than during the preceding 10 years: in Bulgaria--nearly two-fifths as great, the GDR--ten twenty-thirds, Poland--five twenty-thirds, Romania--ten-elevenths and the CSSR--five-sixths [4, pp 32-33]. Consequently, the tightness of the balances of manpower resources will also remain in the future. Therefore the problem of the more extensive release and redistribution of manpower resources for the purpose of lessening the influence of the shortage of manpower on the rate of economic growth remains urgent. During the current five-year plan in the CEMA

countries the tasks of the economy and redistribution of manpower for the first time were raised extensively in practice. In "Materialy XXVI s"yezda KPSS" /Materials of the 26th CPSU Congress/ it is noted: "...the matter must be organized so that the increase of the output of products at operating enterprises would be achieved with a stable or even a smaller number of employees. Attention should also be directed to the more efficient use of labor in the nonproductive sphere" /2/. First Secretary of the MSZMP Central Committee J. Kadar emphasized in the report at the 12th MSZMP Congress: "...the new modern demands on the running of the economy are creating the need for the more efficient use of manpower, the better organization of labor and the tightening up of discipline.

"At the same time as the reorganization of the structure of production and output and the reduction of unprofitable production it is necessary to be concerned about the planned regrouping of manpower, about the organizational retraining and the improvement of the skills of the workers" /3, p 105/. A practical task is set in the decisions of the congress--by the planned regrouping of manpower and assets to curtail gradually uneconomical production which has remained unprofitable for a long time /3, p 194/.

General Secretary of the SED Central Committee E. Honecker in the report at the 10th party congress placed in one of the leading places in the directions of the economic strategy for the 1980's the significant increase of labor productivity: "In the most important sections we will strive for this by means of measures on rationalization, which will make it possible to release manpower for other types of production activity" /7/.

The task of eliminating inefficient, unprofitable works with the corresponding redistribution and retraining of the workers employed at them has also been set in other CEMA countries.

Thus, the stepping up of the release of manpower is a practical task of the current five-year plan. At the same time, as the decisions of the congresses show, the release of manpower, which results from the elimination of workplaces at which the use of workers is economically and socially unjustified, with their subsequent transfer to other workplaces, where their output will increase, is playing a greater and greater role. The transformation of the release of workers into a process which is socially significant in content and scale is a qualitatively new feature in the use of the manpower resources of the CEMA countries. The scale and intensity of this process will increase as the scientific and technical revolution develops, the structural changes in the economy speed up and the methods of mobilizing the reserves of the economy of living labor are improved.

At the present stage under the conditions of the practically full employment of the entire able-bodied population in production and the slowing of the rate of increase of the young people beginning labor activity, the increase of the efficiency of the use of the workers functioning in production and the mobilization of the reserves of manpower within production are a decisive factor of the rationalization of employment. In the CEMA countries at present along with a shortage of manpower in the national economy (or its individual sectors and regions) at the microlevel, that is, in individual economic units, living labor is not always used efficiently. T. Zhivkov in the report at the National Conference of the Bulgarian Communist Party on 20-21 April 1978 said: "The economy of living labor is closely connected with the level of equipment and technology, but even with the current level of equipment



and technology... if the organization of labor is put on a truly scientific basis, about one-third of the workers and specialists would be able to be released and sent to other spheres and sectors" [87]. According to the estimates of Czechoslovak economists, by the transfer of workers from unprofitable enterprises, which are liable to elimination, to new facilities it is possible to meet 40-50 percent of the need for manpower [57]. On the average the concealed reserves of manpower are estimated by scientists of the CEMA countries at 15-20 percent of its amount.

The problem of utilizing these reserves is being solved in the CEMA countries by the creation at the enterprise of material stimuli for the increase of production by the mobilization of intraworks reserves and the increase of labor productivity by means of its better organization, the reduction of the losses of working time and the technical improvement of production. The efficient functioning of the mechanism of the stimulation of the economy of manpower at enterprises also presumes the creation of the corresponding conditions on a statewide scale: the formation in each country of a unified system of material supply, the retraining and redistribution of the workers being released, their job placement and so on.

At present the means of improving such a mechanism are being developed intensively in the CEMA countries. The search for the most efficient methods is proceeding along the line of both the strengthening of centralized state management of the processes of the utilization of manpower resources and the extension of the rights of enterprises in the area of the management of manpower. The urgent need for this search is increasing with the acceleration of scientific and technical progress and the improvement of the economic mechanism. The analysis of the measures, which have been implemented for the purpose of releasing manpower, is acquiring all the more importance.

When giving an overall evaluation of the results of the measures implemented in the past 10-15 years on the creation of a system of the stimulation of the more efficient use of manpower and its release it is necessary to take into account that during this period various methods to a considerable extent were merely elaborated and checked in practice and that the creation in each country of an effective system of the stimulation of the economy of living labor requires a certain amount of time. The basic problems, which are being solved in the CEMA countries for the purpose of increasing the efficiency of the use of manpower, have now been identified.

First of all, the dependence between the results of the economic operations of enterprises and associations and the degree of efficiency of the use of living labor is increasing. The role of the economy of living labor in the formation of the wage fund and material stimulation fund increases as the economic mechanism is improved.

The changeover to the new method of the so-called standard planning of the wage fund, that is, to the formation of the latter on the basis of long-term standards, as well as to the granting to enterprises and associations of the right to use the economy obtained by the reduction of the amount of manpower for increasing the wage of workers by means of the corresponding supplementary payments, has been achieved in the majority of CEMA countries.

For example, the experience of Hungary over a period of more than 10 years showed that the standard planning of the dynamics of the wage fund subject to the increase of the value added promotes to the greatest extent the economy of living



labor.<sup>1</sup> This method of forming the wage fund, which is called "wage mass control," is becoming more and more widespread in Hungary (at present it is used at 70 percent of the enterprises). Its characteristic feature is the use (up to a specific limit) of the economy of the wage fund due to the reduction of the number of those employed for increasing the level of the wage of the remaining workers.

The use of the method of the standard planning of the wage fund induces first of all enterprises with a relatively low level of production efficiency to save (release) manpower. This stems from the fact that the increase of the profit or the decrease of the number of workers or the interconnected solution of both problems is the main condition of the increase of the wage fund.

In the CSSR prior to 1981 the wage fund was formed on the basis of an annually established standard of the limit--its proportion in the sold or net output, and during the year changes of the standard along with the plan indicators of the volume and structure of production were permitted. The set of measures being implemented at this time on the improvement of the system of the management of the national economy<sup>2</sup> stipulates various conditions of the standard regulation of the two parts of the wage--the basic part and the bonus part. The basic wage fund (approximately 80 percent) is formed on the basis of standards with respect to the value added, while the bonus wage fund (approximately 20 percent) is formed subject to the profitability. The new method is removing the restrictions which checked the economy of living labor. In particular, the saved assets of the wage fund were previously transferred to the bonus fund only with the consent of the association which checks its validity. Now it has been stipulated that these assets will be reserved for the enterprise (or will be reduced negligibly).

In Bulgaria during the current five-year plan the standard planning of the wage fund was replaced by its formation as a resultant-balance quantity.<sup>3</sup> In essence the principle of the proportionate distribution of the gross income with the taxation of its amount as a whole and with the graduated taxation of that portion which is spent on wages is being introduced in Bulgaria. The rates of taxation are regulated by standards which are specified according to uniform scales with a graduated increase of the rates, which were approved by the Council of Ministers. Consequently, these standards influence the increase of the wage fund indirectly, through the regulation of the increase of the total income and that portion of it, to which the fund belongs.

The direct standard control of the wage fund in Bulgaria has been retained with the adjustment of its amount by the indicator of the increase of labor productivity. Thus, a ratio of the increase of labor productivity and the increase of the wage fund of 1:1 has been established in agriculture, 1:0.5 in industry, 1:0.8 in trade and so on /5, No 1, 1981, p 95/.

In the middle of 1980 supplements, one of the important tasks of which is the intensification of the stimulation of the economy of manpower, were introduced in the new economic mechanism of the management of the national economy of Bulgaria. In economic organizations and their subdivisions, which operate with a smaller number of personnel as compared with the approved limits (or which stipulated this reduction in counterplans), for the purpose of forming the maximum possible income for consumption the labor productivity is measured on the basis of the approved limits of the number of personnel, and not the actual limits; half of the increase of

the consumption fund per employed person due to work with a smaller number of personnel is exempt from taxation when regulating this fund.

The management personnel of all levels of management bear material responsibility for the exceeding of the limits (standards) of administrative and management personnel (for each percent of the exceeding of the limit the individual wage of managers, chief accountants and other officials, who are responsible for the observance of staff discipline, is reduced by 10 percent).

The practice of using the method of the standard planning of the wage fund in a number of countries has shown that this method has a favorable influence on the increase of production efficiency first of all due to the increase of labor productivity on the basis of the more efficient use of manpower.

The stimulating effect of the standard method on the minimization of the expenditures of living labor consists in the linking of the wage fund with some resultant indicator or other of the economic operations of the enterprise. The increase of the efficiency of the use of manpower is one of the factors which promote the increase of this indicator and, consequently, in the case of stable standards of the wage fund as well. However, the fact that in the case of the decrease of the number of those employed the wage fund does not change and the portion of the fund thus saved is spent entirely or partially on material incentives, is of basic importance.

The still inadequate methodological elaboration of a number of questions, especially the difficulty of ensuring the stability of the standards which regulate the wage over a long period, is hindering the further dissemination of the standard method. Moreover, the increase of the stimulating influence of this method is possible only in the case of the significant increase of the opportunities of the enterprise in the area of the increase of the average wage.

An objectively necessary demand, which is being made on the system of material stimulation at all the stages of the improvement of the economic mechanism in the CEMA countries, is the establishment by the state of specific, economically sound limits of the increase of the income of workers of different enterprises. Regulators, which limited the growth of the average wage and thereby weakened the dependence between the size of the wage fund and the results of the economic operations of the enterprise, were constantly introduced in the economic mechanism. During 1971-1980 the taxation of the growth of the average wage increased 1/4, pp 137-140/.

During the current five-year plan the change of the methods of regulating the wage fund in the CEMA countries is aimed, as a rule, at the increase of the opportunities of enterprises in the area of stimulation. This is dictated by the increasing tightness of the balances of manpower resources and the intensification of the need for the economy of manpower. Moreover, under the conditions of the overall slowing of the rate of increase of the monetary income of the population the establishment of a close connection between the results of economic operations and the wage is becoming more and more urgent. Therefore in the majority of CEMA countries the rates of the taxes on the increase of the wage have been reduced, enterprises have received an opportunity to avail themselves of the so-called reserve funds when paying wages.

For example, in Hungary in 1979-1980 the "ceiling" of the untaxed annual increase of the average wage was raised. This tax, which was incorporated in the overall system of economic stimulation, initially allowed a 3-percent increase of the level of the wage without the obligatory payment of taxes for it. Then the rate was gradually increased, reaching 6 percent by the end of the past five-year plan. In 1980 it was set at the level of 9 percent. Moreover, in 1979 the opportunities for a more differentiated (in conformity with the results of management) increase of the average wage owing to a decrease of the graduated tax rates for the increase of the wage in excess of 6 percent by one-half were increased, while starting in 1980 the graduation of taxation was completely abolished, and the entire increase of the average wage in excess of 9 percent is taxed at a uniform tax rate which is equal to 150 percent /10/. In 1980 changes were also made in the procedure of using the assets saved due to the decrease of the number of employed people.

The opportunities for the untaxed use of this source of increasing the wage are limited to 3 percent, if its total increase exceeds 9 percent. For example, if the number of personnel has been reduced by 5 percent and it is possible to increase by 5 percent the wage fund according to the standard as a percentage of the value added, the average wage will increase by more than 9 percent, but here the use of 2 percent of the assets obtained due to the economy of living labor will require the payment of the appropriate tax /10/.

In the CSSR since 1978 an increase of the average wage of up to 0.5 percent with respect to the differentially established planned level (for some enterprises up to 1 percent) has been allowed. The penalties for the increase of the average wage over this "stimulating limit" in the form of graduated deductions from the wage fund were retained, but at lower rates than before.

The further increase of the stimulating function of the wage and the material interest of enterprises in the economy of living labor depends on the real ratio of the expenditures of the enterprise on manpower and means of production. Theoretically, the higher the level of the average wage is with respect to the prices for the material factors of production, the greater the interest of enterprises is in the increase of production by means of modernization, the introduction in production of the achievements of scientific and technical progress, the improvement of the organization of labor and production, and not by the attraction of additional manpower. From this point of view the experience of the CEMA countries in the introduction of special contributions of the monetary assets of enterprises to the state budget, which are connected with the use of manpower and are aimed at its "increase in cost" for enterprises, is of interest.

The enterprises in the socialist countries are only partially involved in the formation of public consumption funds, and the extent of their involvement is determined primarily by the level of profitability, and not by the amount and skills of the employed manpower. As a result, the current system of reimbursing the expenditures on the reproduction of manpower does not interest the enterprises in the economical use of living labor and hinders the introduction of new equipment and the implementation of measures on the mechanization of labor.

The general methodological approach of scientists of the CEMA countries to the role of payments for manpower reduces to its consideration as a factor, which influences the financial status of enterprises and the size of the economic stimulation funds



and thereby makes it possible to create additional stimuli for the fulfillment of the plan with a smaller number of workers and for the acceleration of the mechanization and automation of production.

For example, M. R. Yermakova believes that "the full consideration in the production costs of the expenditures on the reproduction of manpower would serve as an economic stimulus of the efficient use of personnel. The greater the amount of these deductions is, the greater the production costs are and, consequently, the smaller the profit is. And, on the contrary, the saving on the amount of deductions for manpower resources can be paid in a certain proportion into the material incentive fund" [6].

However, the experience of the CEMA countries in the introduction of various types of payments for manpower and the evaluation of their effectiveness force us to approach more cautiously the role of the payments in the tightening up of the policy of the economy of manpower.

In 1963-1964 (that is, during the initial period of the implementation of active measures on the improvement of the economic mechanism) the contributions to social insurance as a percentage of the wage fund were 12.5 percent in Bulgaria, 10 percent in Hungary and the GDR, 15.5 percent in Poland, 6.5-15 percent in Romania and 10 percent in the CSSR.

In Hungary since 1968 the following charges were levied in addition to others: an 8-percent tax according to uniform rates on the wage fund and 17-percent contributions to social insurance. On 1 January 1977 the amounts of the charges on the wage were increased to 35 percent of its fund (the contributions to social insurance were increased from 17 to 22 percent, the tax on wages was increased from 8 to 13 percent). Hungarian economists appraised in different ways the importance of this tax. In the opinion of some, the tax should have been increased to 40-50 percent of the wage fund. This would promote an improvement of the value equations and proportions of the valuations of various resources. In the opinion of others, the tax on the wage fund, having been incorporated in the expenses of enterprises, can have an effect in the direction of an increase of prices. For this reason, in their opinion, the reduction or abolition of taxes on the funds of enterprises is most expedient [4, p 151]. As of 1980 the tax on wages was abolished, while the payments for social insurance were reduced to 17 percent.

In the CSSR as of 1977 the payments for social insurance were reduced from 25 to 20 percent. The remaining payments from the wage funds were abolished. From 1972 to 1977 an experiment was conducted on the taxing of manpower in the form of a fixed rate per worker. The amount of the deductions came to about 30 percent of the amount of assets intended for wages. These deductions were a component of the production cost and were defined as the product of the average registered number of workers times the tax rate per employed person [4, p 155].

The November (1976) Plenum of Romania adopted the decision on the replacement beginning in 1977 of the income tax from each individual wage with a general tax on the wage fund of the enterprise. The amount of the tax was differentiated by sectors—from 14.5 to 17.5 percent. The payments for social insurance, which are levied at a uniform rate for all sectors, were also increased (to 15 percent of the wage fund).



In Bulgaria the charges for the wage fund, including the assets for social insurance, were increased from 20 to 30 percent of the planned assets for wages. They are deducted from the distributed gross income.

Practice has shown that the increase of the contributions of the enterprise to public consumption funds in the form of a fee for manpower resources is of a definite stimulating nature, since it increases the interest in the economy of manpower. But the introduction of charges for manpower did not have a substantial influence on the release of workers and was not conducive to the emergence of a situation which stimulates enterprises to replace living labor with technical and organizational factors, for which the mechanism of these charges is partly to blame. The main reason for the inadequate effectiveness of the instruments in question is that they are still acting in isolation, not in combination with the other components of the economic mechanism.

At the same time the possibilities for a significant increase of the stimulating role of the regulation of the wage fund and the system of charges for manpower by further partial improvements and changes, in our opinion, are limited. First of all an appreciable "increase in the cost" of manpower for enterprises will inevitably be accompanied by an increase of prices and the redistribution of the revenues of the enterprise, which requires in a short period substantial changes in the entire system of the management of the national economy and, consequently, is impracticable.

A necessary condition of the increase of the efficiency of the use of manpower resources is the combination of economic stimulation and the strengthening of the organizational planning principles.

The number of workers at all the stages of the improvement of the economic mechanism in the GDR and Romania has been planned centrally, while in Hungary it has been regulated by indirect methods. In the other countries the direct establishment of assignments on the number of employed people during individual years was replaced or augmented by standard regulation according to the criterion of the end results of economic activity. At present the indirect regulation of the number of workers has been retained only in Hungary.

Along with the improvement of economic stimulation and planned management, administrative legal methods of regulating employment are being used extensively in the CEMA countries. This especially pertains to administrative and managerial personnel.

For example, in Bulgaria a goal program of the reduction of 150,000 workplaces for administrative and managerial personnel with the transfer of the released workers to physical production was adopted in conformity with the decisions of the July (1976) Plenum of the Central Committee of the Bulgarian Communist Party. As a result in 1979 about 124,000 employees were transferred to a new job, 64.6 percent of them were transferred to physical production [9]. In Hungary and the CSSR as a temporary measure in 1976 the number of administrative personnel was "frozen." Since 1977 in the CSSR there has been established for each department its share in the total number of administrative personnel as an obligatory indicator of the plan. In Hungary since 1977 the enterprise has been able to recruit new workers for the indicated sphere, but within the list of staff members at the end of 1975, that is, the increase of the number of administrative personnel is prohibited.

Local job placement councils and organs are playing a major role in the regulation of the number of workers in the CEMA countries.

For example, in the CSSR in the early 1970's a unified system of the regulation of employment and the distribution of manpower was introduced. Owing to it the role of national committees in the management of manpower resources increased appreciably. The calculation and monitoring of the observance of the limit of the number of employed people were also entrusted to the national committees. In case of the exceeding of the limit they impose penalties (usually in the form of fines) with respect to the corresponding organization (its managers). The national committees keep account of the needs for manpower and monitor the training and job placement of young people.

In Bulgaria the state inspectorates for labor are also playing an important role in the regulation of the movement of manpower. They organize and coordinate on the territory of the okrug the training, further training and improvement of the skills of manpower and actively participate in the work on the increase of labor productivity and the improvement of the wage systems.

As the practical experience of the CEMA countries shows, with the acceleration of the processes of the release of manpower the improvement of the planned organization of its redistribution is accompanied more and more often by the granting of greater independence to enterprises in the hiring and firing of workers and by a change in the functions of the job placement organs. Administrative control on the part of the local authorities, apparently, can be justified only under the conditions when it is necessary to erect a barrier in the way of the overstated demand of enterprises for manpower.

For example, in Hungary in 1976 so-called obligatory mediation in the use of manpower, which is carried out by the administrative organs of the local councils, was introduced. Enterprises are divided into three groups: those expanding production, those maintaining it at the same level and those gradually cutting back on it. Only developing enterprises have the right to hire new workers. The competitive system of filling positions, which was introduced on 1 January 1977 and is obligatory for several categories of workers of mental labor, also serves this purpose. Only the enterprises which have received the permission of superior organs can announce competition. According to the estimates of Hungarian economists, mediation has yielded positive results: the meeting of the manpower needs of enterprises, which are validly increasing the number of employed people, has improved; the unsound demands of enterprises with respect to manpower and the unjustified transfer of workers, which results from the increase of the level of the management of the use of manpower, were reduced in some areas; ties between sectorial ministries and the local authorities, which are conducive to the improvement of the use of workers, were established and strengthened /11/.

The turning point in the demand of enterprises for manpower, Hungarian economists believe, came in 1978-1979. The number of those employed in socialist industry in 1978 was 1,000 less than in 1977, while in 1979 as compared with 1978 the decrease was 27,000. This trend also continued in 1980 /12/.

Under the new conditions for the purpose of increasing the mobility of manpower changes were made in the system of its regulation. The procedure of hiring manpower only through a job placement bureau, which is obligatory for enterprises, was

abolished. The activity of these organs is now aimed first of all at meeting the interests of citizens by offering them job placement services. Enterprises are obligated to inform the bureau about existing vacancies and the anticipated need for manpower. Such information, Hungarian Minister of Labor F. Trethony emphasized, is the most important condition of the prevention of possible discrepancies in the balance of manpower resources /12/.

The creation of favorable social conditions for the release and redistribution of manpower, that is, the giving by socialist society of guarantees of job placement to released workers, is an important problem facing the CEMA countries.

At the congresses of the Communist and Workers Parties of the fraternal countries the unshakability of the principle of full employment was reemphasized in connection with the setting of the task of the rationalization of the use of manpower. Thus, in the report at the 12th MSZMP Congress J. Kadar emphasized: "The great achievement of our system consists in the fact that we have guaranteed full employment. Thus it will also be in the future" /3, p 109/. Chairman of the GDR Council of Ministers W. Stoph in the directives of the 10th SED Congress on the five-year plan of the development of the GDR national economy for 1981-1985 directly linked the economy of workplaces and the release of manpower with full employment: "...we emphasize that socialist rationalization and the right to work, which has been realized in our country, form an inseparable unity. In our republic none of the workers must fear that he will lose his job....

"This is a right set down in the Constitution and at the same time this is the everyday life of man under the conditions of socialism" /13/.

That is why the question of what the forms and methods of the retraining and planned redistribution of considerable contingents of workers, which is adequate for socialism, should be, of how "to achieve such a situation so that the equipment would not stand in waiting for personnel" /1/ and at the same time the basic social rights of the workers would be guaranteed, is acquiring greater and greater urgency. The lack of the appropriate social conditions is hindering the realization of the main factor under present conditions of the increase of the efficiency of the use of manpower resources--the release and redistribution of manpower. The main one of these social conditions is the organization of the retraining and redistribution of workers, as well as the creation of a system of their material security. Without this the most effective measures on the stimulation of the economy of living labor and the improvement of the planning tools of the increase of its efficiency not only will not yield tangible results, but will also come into conflict with the social problems being solved by socialist society.

In the CSSR the dismissal, transfer and material security of the workers, who are released in connection with the implementation of measures on the rationalization of production, are regulated by the Statute of the Federal Ministry of Labor and Social Affairs of 3 July 1970, in accordance with which the material security of the released worker is imposed as a duty upon the enterprise releasing him. The enterprise or organization, which dismisses a worker, is obligated to pay him for 6 months benefits in the amount of 60 percent of his wage, after which, if the worker with the mediation of the national committee has not found an appropriate workplace, the amount of the benefits is reduced to 30 percent for another 6 months. At the new place of work the worker receives for 3 months, and in valid cases for 6 months, from the enterprise which dismissed him monetary compensation in the



amount of the difference between the wage at the old and new place of work. The benefits are paid in all instances on the condition that the worker undergoes retraining in special courses or at the new place of work. As compared with the former procedure and the procedure existing in other countries, the new thing in the practice of the CSSR is that the enterprise can free itself of excess manpower on the condition of the payment of monetary compensation and the transfer of the function of job placement to the local national committee.

Scientists of the CSSR believe that in some cases, especially with the elimination of enterprises, it is more advisable to arrange the transfers not of individual workers, but of collectives, so that they could get used more easily to the new labor environment /4, p 252/.

In Bulgaria the retraining and redistribution of manpower are the duty of enterprises. A special fund for vocational retraining and the improvement of skills has been created in the Committee for Labor and Wages by means of contributions of enterprises. The assets of the fund are spent for the payment of wages to temporarily idle workers until their enrollment in courses for a period not to exceed 6 months and for the service of vocational educational centers for retraining and the improvement of skills. Wages are also paid from this fund to the workers and employees, who are undergoing retraining. The workers released in connection with renovation and modernization receive wages from the fund for the expansion and technical improvement of production /14/.

In Hungary the new conditions of the redistribution of manpower retain for the enterprise the duty to find jobs for released workers with the assistance of job placement organs. The enterprise, if it releases more than 10 people, is obligated for at least 3 months to inform the job placement organs of this, having reported the most important data on the workers, which are necessary for job placement /15/.

The granting of greater rights to enterprises when releasing manpower is an urgent problem of the further improvement of the mechanism of the redistribution of manpower. In the CEMA countries at present the enterprise, as a rule, finds a job for the workers being released and bears the costs for their retraining. However, the indicated activity on job placement is not always profitable for the enterprise, which is an obstacle in the way of the increase of the efficiency of the use of living labor and progressive changes in the structure of employment.

The intensification of the processes of the mobility of manpower require that the assurance of full employment be accomplished by specialized job placement organs, which have been given the appropriate rights and are closely connected with the enterprise. These organs should have complete information on the state of the balance of manpower resources of the region, the prospects of its development and the proposed measures on the modernization and renovation of production.

The experience of improving the methods of the release and redistribution of manpower, which has been gained in the CEMA countries, shows that the creation of the social conditions for the increase of the efficiency of the use of manpower on the scale of the entire society lags considerably behind the potentials of the mechanism of the stimulation of the economy of living labor directly at the enterprises. The socialist social system ensures the need and the possibility of the prevention of the spontaneous development of the process of the release and redistribution of manpower. However, this process requires regulation on a statewide scale. The



expenditures of the state budget, which are connected with the implementation of such measures, will be offset by payments from the enterprises. Therefore the specific organizational, financial and psychological difficulties, which stem from the rationalization of the distribution of manpower in the national economy, should not lead to the disregard of the new needs of economic development and should not hinder the process of the intensification of production.

#### FOOTNOTES

1. The wage fund for the overwhelming majority of enterprises using this method can be increased by 0.4 percent in the case of an increase of the indicator of "the development of the wage" (that is, the value added) by 1 percent, for the construction materials industry by 0.5 percent and for a number of subsectors of the food industry by 0.6 percent. Uniform rates for all enterprises of the tax deductions from the profit sharing fund in the amount of 150, 200 and 300 percent--subject to the degree of the exceeding of the permissible increase--have been established for the increase of the fund in excess of the standards determined in this manner.
2. During 1978-1980 the system underwent experimental testing at a number of industrial enterprises of the CSSR.
3. The necessary payments to society and the obligatory deductions are made from the total revenue of the economic organization, which was obtained from the sale of products (services). The balance is used for what is called "consumption," which consists of the wage fund, the reserve fund, the social and personal and the cultural funds, as well as the payments for the increase of this portion of the revenue of the enterprise.

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## USSR-CEMA TRADE

### COOPERATION IN EFFICIENT USE OF MATERIAL RESOURCES

Moscow MATERIAL'NO-TEKHNICHESKOYE SNABZHENIYE in Russian No 11, Nov 81 pp 69-73

[Article by G. Zaytsev, chief of a department of the CEMA Secretariat (Moscow):  
"by Joint Efforts"]

[Text] The economy and efficient use of material resources are a most important direction of the scientific, technical and economic policy of the CPSU and the other Communist and Workers Parties of the CEMA member countries. This is of enormous importance for all the socialist countries. Suffice it to say that a 1-percent saving of material expenditures is estimated in Bulgaria in the amount of 260 billion leva, in Hungary--8.3 billion forints, in the GDR--2.5 billion marks, in Poland--32 billion zloty, in Romania--4.6 billion leus, in the USSR--5.2 billion rubles and in the CSSR--6.6 billion korunas (according to the data of 1979).

The 26th CPSU Congress emphasized that the aim at the economy and more complete and efficient use of what our country has is the most important condition of the successful fulfillment of the assignments of the 11th Five-Year Plan. A saving of fuel and energy resources in the national economy in the amount of 160-170 million tons of conventional fuel has to be ensured. In machine building and metalworking it is planned to decrease the specific consumption of rolled ferrous metal products by not less than 18-20 percent, steel pipe--10-12 percent and rolled nonferrous metal products--9-11 percent. Assignments on the economy of resources have been set for the current five-year plan for every ministry, the union republics and enterprises.

The extensive sharing of experience among the socialist countries to a considerable extent is promoting the successful solution of the outlined problems.

On the initiative of USSR Gosnab in 1978 "A Set of Measures and Suggestions on the Efficient and Economical Use of Material Resources" was drawn up within the CEMA Committee for Cooperation in Material and Technical Supply. The indicated set envisages a set of specific measures on the increase of the efficiency of the use of 42 basic types of material resources, the implementation of which is being carried out by the CEMA member countries both on a national scale and on the basis of cooperation in the organs of the Council for Mutual Economic Assistance.

Last year the CEMA Executive Committee, after examining the report "On the Progress of the Implementation of 'A Set of Measures and Suggestions on the Efficient and Economical Use of Material Resources'," commissioned the committee to strengthen

the coordination of the work of CEMA organs. At present specialists of USSR Gosnab and representatives of the CEMA member countries have prepared programs of cooperation on the reduction of losses of fuel during its storage and transportation, on the economy of refractory raw materials and materials and on the expansion of the gathering and use of ferrous metal scraps and rejects, secondary plastics and solid household waste products. The fulfillment of these programs will make it possible to achieve significant results.

Much attention is being devoted in all the countries of the socialist community to increasing the efficiency of the use of resources. In Bulgaria, for example, as a result of the implementation of the government-approved National Program of the Efficient Use of Material Resources for the Seventh Five-Year Plan in 1976-1978 alone 100,000 tons of rolled ferrous metal products, 9,000 tons of steel pipe, more than 30,000 tons of chemical products, 340,000 m<sup>3</sup> of lumber and 73,000 tons of cement were saved. An assignment on the additional reduction of the consumption of raw materials, materials, fuel and power in the amount of 5 percent a year, which was also successfully fulfilled, was established for 1979-1980. The 12th Congress of the Bulgarian Communist Party stressed that the decrease of the power-output and materials-output ratios and the adoption of waste-free and low-waste technologies should become a characteristic trait of the process of reproduction for the Eighth Five-Year Plan and the period to 1990.

In Hungary goal programs and measures on the economy of materials and energy carriers were elaborated in conformity with the national economic plan. In 1979, for example, it was possible to decrease considerably the growth rate of power consumption. In comparison with the planned rate of 3.7 percent it was only 0.3 percent.

Questions of the economy of raw materials and power in industrial production, agriculture, transportation, the service sphere and the entire national economy occupied an important place in the work of the 12th MSZMP Congress. The outlined program calls for a saving of power in all the areas of the Hungarian national economy in 1985, which corresponds to 1.2-1.4 million tons of petroleum, and in 1990--3 million tons a year. In 5 years it is proposed to increase the collection and recovery of secondary resources by nearly 25 percent.

The drive for the careful consumption of energy and material resources is one of the main economic tasks in the GDR. The directives of the Ninth SED Congress called for the inclusion in the five-year plan of an assignment on the reduction of the specific consumption of the most important types of energy, raw materials and materials for the output of industrial products on the average by 3 percent. In fact, higher results were achieved. Thus, last year alone the consumption of the main types of energy carriers, raw materials and materials per unit of output declined as compared with 1979 by 3 percent. In the metalworking industry of the republic the specific consumption of rolled ferrous metal products decreased by more than 6 percent. Last year the entire achieved increase of industrial production was provided for the first time with an absolute decrease of the volume of consumption of primary energy carriers--by 1 percent as compared with 1979.

For the current five-year plan the assignment on the reduction of the specific consumption of the main types of raw materials and energy carriers in the amount of 5.5 percent and of rolled ferrous metal products in the metalworking industry by more than 6 percent has been set in conformity with the Directives of the 10th SED Congress.



By means of the adoption of efficient technological processes and advanced designs it is planned to save by 1985 2 million tons of rolled ferrous metal products, more than 45,000 tons of aluminum, 15,000 tons of copper and 1 million tons of cement. It is envisaged that by the end of the five-year plan 12 percent of all the needs for the most important raw material resources will be met by means of the complete utilization of 30 million tons of secondary raw materials and materials.

In the Republic of Cuba much attention is also being devoted to the questions of the use of material resources. A special commission, which organizes the elaboration and monitors the fulfillment of measures, has been set up in the Central Planning Board. Steps on the tightening up of the policy of the economy of resources are outlined by the basic directions of the economic and social development of the country for 1981-1985, which were approved by the Second Congress of the Communist Party of Cuba. In particular, great importance is being attached to the elaboration of rates of consumption of raw materials and materials. In the sugar and electrical equipment industries it is planned to perform much work on the economy of petroleum and the more complete utilization of secondary resources.

The programs of the economy of fuel, motor fuel and lubricants, which was drawn up in Mongolia for 1979-1980, was successfully fulfilled. Now the decision has been made here to improve the rate setting in the national economy and to set up at all organizations and enterprises special subdivisions for rate setting, the elaboration and the monitoring of the fulfillment of the assignments on the economy of the most important types of raw materials and materials. In conformity with the decisions of the 18th Congress of the Mongolian People's Revolutionary Party assignments on the decrease of the specific consumption of materials for the output of products have been established in a planned manner for ministries, departments, enterprises and economic organizations. It is envisaged to decrease the specific consumption of liquid fuel in motor and air transport on the average by not less than 4 percent, in agriculture by 5 percent, at thermal electric power stations and in the construction materials industry by 2 percent. It is planned to reduce the consumption of coal for the generation of thermal energy and electric power by 5-6 percent, cement in construction--6 percent, lumber--5 percent and glass--5-7 percent.

The 11th and 12th congresses of the Romanian Communist Party approved goal programs of the reduction of the consumption of material and energy resources, which were taken into account when drafting the five-year plans. As a result, in 1979 the indicator of the consumption of electric power in industrial production was decreased by approximately 12 percent as against 1975, while the indicator of the consumption of fuel in industrial production was reduced by 20 percent. In ferrous metallurgy during this period the coefficient of the yield of rolled steel products increased from 762 kg per ton to 816.3 kg per ton, while the consumption of power decreased substantially. In machine building the utilization ratio of metal was increased by the assimilation of advanced technologies with decreased losses of metal and by the more complete utilization of the scrap which forms during cutting.

During the decade (1981-1990) it is planned to ensure a decrease by not less than 40 percent of the average indicators of the consumption of energy resources per 1,000 leus of industrial output. This will have a substantial influence on the increase of the efficiency of the entire national economy. It is envisaged that the proportion of material expenditures in 1985 will come to 55.5 percent as against 57.7 percent in 1980. As a result, the opportunity will arise to ensure an average annual growth rate of the national income in the amount of 6.7-7.4 percent.

In conformity with the Directives of the 15th Congress of the Communist Party of Czechoslovakia the task was set to save 2-2.5 percent of the energy and fuel in industry and 3-3.5 percent of the metal in machine building and to decrease the material expenditures in industry by 0.6-0.8 percent. State programs of the efficient consumption of fuel, energy and ferrous and nonferrous metals were elaborated for the accomplishment of these tasks. As a result of their implementation during 1976-1978 alone more than 1 million tons of ferrous metals, about 30,000 tons of nonferrous metals and more than 10 million tons of conventional fuel were saved.

The basic directions of the economic and social development of the CSSR for 1981-1985 call for the saving of 12 million tons of conventional fuel, 2 million tons of ferrous metals and about 50,000 tons of nonferrous metals.

Much work on the organization of cooperation in the drive for the economical and efficient use of material resources is being performed in CEMA organs--committees, permanent sectorial commissions and international organizations. Thus, the problems of the efficient use of fuel and energy, including secondary energy resources, are being elaborated within the CEMA Commission for Cooperation in Planning, while proposals on the improvement of prevailing technological processes and equipment and the development of new advanced technological processes and equipment for power-consuming works, transportation and municipal and personal services are being elaborated in the CEMA Commission for the Coordination of Scientific and Technical Research. In addition to this, comprehensive scientific research and experimental design work is being performed, which is aimed at the development of efficient methods of the conversion of solar and chemical energy, wind power and geothermal energy; on the development of electric power stations running on gaseous, liquid and solid fuel.

The CEMA Committee for Cooperation in Material and Technical Supply, as was already noted, coordinates the work of all CEMA organs in the solution of the problems of the efficient use of resources. At the same time it draws up its own proposals on the economy of material resources, particularly on the reduction of the losses of materials at warehouses and bases; the decrease of the consumption of packaging and packing materials when packaging freight by its transportation in containers and packets and the use of reusable transport packaging. The use of the nomenclature drawn up within the committee of the cargoes, which are recommended for transportation in containers and packets, in the material and technical supply system of the USSR alone is providing an economic impact in the amount of 1 million rubles a year.

USSR ministries and departments have been ordered to take as a guide the List of Products Recommended for the Transportation of Freight in Containers Without Packaging and in Light-Weight Packaging, which was drawn up within CEMA. This is making it possible by the reduction of the expenditures on packaging to obtain in a year a saving of: in the transportation of industrial cargo--48 million rubles, products of light industry--17.6 million rubles, agriculture--2.3 million rubles and the food industry--0.8 million rubles.

Specialists of the CEMA member countries elaborated the parameters of standardized freight units, which were the basis for the standard "The Types, Main Parameters and Dimensions of the Transport Packets of Long Cargoes," which was approved in the USSR in 1978. The standard introduces a uniform procedure of the formation of packets of long products (ferrous and nonferrous metals, lumber). This makes it possible to mechanize the loading, unloading, materials-handling and warehousing

operations along the entire route of the cargo from the suppliers to the consumers. The economic efficiency from the reduction of the labor and material expenditures in these operations in 1980 for the national economy of the country as a whole came to 17.5 million rubles.

The cooperation in the improvement of the organization and the perfection of the collection, processing and conversion of the waste products of production and consumption and in the development of efficient technological processes and specialized equipment is aimed at the saving of resources. The following data characterize the importance of this cooperation. In our country 1 out of every 4 tons of paper and cardboard and 1 out of every 5 tons of ferrous metals and sulfuric acid are produced by using secondary resources. The proportion of waste paper in the production of paper and cardboard is also high in other CEMA member countries: in Hungary it is 45 percent, the GDR--42 percent, Poland--33 percent, Romania--28 percent and Czechoslovakia--23 percent.

It should be noted that whereas the CEMA committees when organizing cooperation in the economy and efficient use of material resources perform primarily coordinating functions, the main operations in this area are performed within the sectorial permanent commissions of CEMA. As is known, executives and specialists of the corresponding sectorial ministries and departments of the CEMA member countries participate in the work of these commissions. In recent years they have prepared and adopted valuable proposals.

As an example it is possible to cite the use at a number of petroleum and gas deposits of pressure-tight systems which are making it possible, for example, in Bulgaria to reduce the losses of gas to two-thirds to one-half and in the USSR to one-half to two-fifths. The degree of the refining of petroleum is being increased by the adoption of a more perfect technology on the basis of the specialization and cooperation of the production of units and equipment for secondary processes of petroleum refining. The centralized collection of spent lubricants and their reclaiming have been organized in the majority of CEMA member countries. Thermal diffusion burners for open-hearth and glass furnaces, which make it possible to decrease the consumption of gas by 6-8 percent, high-speed and radiating torches and radiation tubes have been developed.

New large units for the synthesis of ammonia with high-capacity turbocompressors are being introduced in the chemical industry of the CEMA member countries. These and other measures made it possible to decrease the amounts of capital investments and the consumption of power and steam. As a result the production cost of ammonia was decreased to one-half.

The collection, cleaning and reuse of scrap refractory material have been organized in the CEMA member countries. Automated equipment for the continuous casting of shaped billets, which makes it possible to save 30-40 percent of the metal as compared with casting in sand molds, has been developed. The development of the technology of cold and semihot forging is expanding the area of use of the processes of mechanical working, increases the precision of forging by one to two classes, saves 15-30 percent of the metal and increases labor productivity by 1.3- to 1.7-fold.



The utilization of ash and clinkers is being expanded. A considerable saving of lumber in the production of packaging has been obtained by the production of cardboard packaging, the introduction of returnable and thin-walled stapled packaging and the replacement of wood packaging with metal and polyethylene packaging. An exceptionally economical type of product is cardboard. Each ton of packaging cardboard saves 14 m<sup>3</sup> of wood, while each ton of construction paperboard saves up to 9 m<sup>3</sup> of wood. Cooperation is most efficient in the performance of work on the upgrading of plywood and cardboard, the imparting of new consumer properties to them, the development and introduction of modern equipment for their production.

Aluminum is being used extensively instead of copper in the electrical equipment industry of the CEMA member countries. The merit of such a substitution is explained by the fact that although the electric conductivity of copper is 1.6-fold greater than that of aluminum, the density of aluminum is one-third as great as that of copper. In spite of the fact that the diameter of a current conductor made from aluminum is 1.6-fold larger than the diameter of an equivalent conductor made from copper, its weight is half as much. Work is being carried out on the improvement of the electric conductivity of aluminum. It should be emphasized that on the world market the price of aluminum is half as much as the price of copper.

It is also possible to cite similar examples for other sectors of the national economy, but the cited examples to a sufficient extent give an idea of the directions of the work being performed in the CEMA countries on the economy and efficient use of material resources. The comprehensive use of the achievements of science and technology is the basis of the work. In the GDR, in particular, 80 percent of the entire saving of resources is being obtained by means of this. Nearly 30 percent of the scientists of the GDR are devoting their labor to this field.

The achievements of science and technology have afforded opportunities to develop in a planned manner and on a massive scale new materials with given properties, light-weight designs and so on. The extensive use by all the countries of the socialist community of the advanced experience of saving resources, which has been gained, in particular, in the GDR, occupies a special place in this work. An entire set of measures, which covers questions of planning, the improvement of the structure of production, the setting of rates of the consumption of materials, scientific and technical development, the use of secondary resources and the stimulation of the highest results, is now in effect here.

The organization of the long-range planning of the economy of material resources, which the industrial ministries, other central organs and scientific organizations are carrying out under the direction of the Ministry for Materials Management and the State Planning Commission, has shown itself to advantage in practice. Along with the drafting of quantitative assignments as a result of long-range planning it is possible to determine with a better quality the basic directions and measures on the economy of resources and to establish and coordinate intersectorial relations. The concept of the efficient use of resources, which includes the most important measures which were taken as the basis when drafting the five-year plan, was elaborated on the basis of this material

In the GDR the periodic review of the rates of consumption of material resources in the different sectors of industry is made systematically on the basis of the latest scientific and technical achievements. As a result, in 9 months of last year the



commodity production as compared with the preceding period increased by 8.2 percent, while the consumption of materials increased by only 1.2 percent. The consumption of electric power decreased. The Ministry for Materials Management jointly with the Ministry for Science and Technology calculates the rates of consumption for 46 basic types of raw materials and materials in tons per 1 billion marks of output with allowance made for the trend of the use of material resources, which exists in world practice. Rates of consumption are also being elaborated by the Ministry of Coal and Energy, as well as by enterprises and combines, the managers of which bear responsibility for their conformity to the world level. Rates of the consumption of 185 types of materials, which are approved by the Ministry for Materials Management, are included in the state plan.

Special attention is being devoted to the development of light-weight designs of items. To give assistance to enterprises, at the institute of light-weight designs and the economical use of materials in Dresden, which is subordinate to the Ministry for Materials Management, a data bank on their properties has been set up in the Information System of Materials. The availability of such a bank facilitates for designers the choice of the optimum decisions.

An important task of the institute is the elaboration of advanced methods of calculations for the purpose of introducing light-weight designs and the assurance of their use by means of standardization. Modern methods of calculation, for example, in the area of dynamic strength lead to an economy of materials of 2 to 5 percent. It is proposed to disseminate the use of such methods extensively in machine building.

The experience of the GDR in the use of secondary raw materials and waste products has received wide recognition. Up to 75 percent of the steel, 37 percent of the copper, approximately 45 percent of the lead and nearly 20 percent of the zinc are smelted here from scrap metal. More than 40 percent of all the consumed paper is returned to production. The population turns over more than 80 percent of the periodic publications distributed in the country. The reuse of glassware meets nearly 70 percent of the need for packaging in the production of canned goods and beverages. The reuse of 100 million bottles and jars saves 30,000 tons of glass sand, 18 million kWh of electric power, 15 million m<sup>3</sup> of gas, 20,000 tons of soda and 6,000 tons of fuel oil. Moreover, the capital investments, which would be used for the creation of the capacities necessary for the extraction of raw materials and the production of glassware, are saved.

The Altstoffe Combine, which has 15 enterprises in the districts, more than 200 branches in the regions and more than 1,300 receiving centers, is engaged in the collection, sorting and preparation for further use of secondary raw materials. Scrap metal is under the jurisdiction of the Metallaufbereitung Combine.

"The System of Information on the Use of Secondary Raw Materials" has been elaborated at the Berlin Scientific Research Institute of the Use of Secondary Raw Materials of the GDR Ministry for Materials Management. It enables any combine, plant, ministry or scientific research institute to quickly obtain information on the most important physicochemical properties of 400 descriptions of secondary raw materials and waste products. The institute provides information on the scientific research being conducted in this field both in the GDR and in other CEMA member countries. The managers of all enterprises of the GDR are obligated by

legislation to report annually to this institute the amount of obtained industrial waste products and the waste products reused in production.

In the GDR microprocessors, which make it possible to decrease the consumption of fuel and energy and to create the optimum conditions of their consumption both at enterprises and in apartment houses, are finding extensive application in both production and household equipment. Work, which is aimed at the decrease of the consumption of materials for the packaging of products with the simultaneous assurance of the state of preservation of the packaged item, is being carried out.

An efficient system of material stimulation for the economy of raw materials has been developed in the republic. In particular, 40 percent of the monetary assets, which are obtained from the economy of thermal energy and electric power, and 15 percent from the economy of raw materials and materials are paid into the fund of social development of the enterprise, which is used for social measures and housing construction. At present the experience of the GDR in the area of the economy and efficient use of material resources is finding the most extensive use in the countries of the socialist community.

It should be noted that the cooperation of the CEMA member countries in the drive for the efficient use of material resources is constantly improving. It seems expedient for the CEMA Committee for Cooperation in Material and Technical Supply to elaborate the basic directions of the cooperation of the CEMA member countries in the economy of fuel, energy, raw materials and materials for 1986-1990 and the period to 2000 (or another long-range goal program of cooperation in this area). Such a program will be conducive to the further development of the scientific, technical and economic cooperation of the CEMA member countries, the more complete and efficient use of fuel, energy and raw material resources, the development of advanced resource-saving equipment and technology and the improvement of the sharing of information.

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CSO: 1825/32

## TRADE WITH LDC'S

### KAZAKH SSR SUPPLIES GRAIN ELEVATORS TO AFGHANISTAN

Alma-Ata KAZAKHSTANSKAYA PRAVDA in Russkian 31 Dec 81 p 3

[Article: "Kazakhstan to Afghanistan"]

[Text] The collective of the "Sredazpromzernoprojekt" in Alma Ata has completed the designing of two automated ferroconcrete elevators for the Democratic Republic of Afghanistan. Each of the enterprises is designed for the reception, processing and storage of 20,000 tons of food grain. The sites for their construction have been selected by Kazakh specialists jointly with Afghan colleagues next to the already operating elevators on the territory of the grain combines in the cities of Mazar-e Sharif and Pol-e Khomri.

The institute has also begun the development of individual designs of an elevator for the reception, drying, and processing of rice and of a rice plant with a capacity of 100 tons per day. The construction of these facilities is planned for the province of Baglan.

Kazakhstan is helping Afghanistan in the development of its agricultural production and industry. The republic's enterprises send 27 types of modern industrial output and foods to the friendly country. Orders are being filled for supplying the Democratic Republic of Afghanistan with power transformers, electric distributors, sheet steel, asbestos, asbestos-cement piping, lead wire, and condensers.

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MARCH 12, 1952